EPA Amends Portion of Fugitive Emissions Requirements in the 2016 New Source Performance Standards for the Oil and Natural Gas Industry: Fact Sheet

Overview of Action

- On February 23, 2018, the U.S. Environmental Protection Agency (EPA) amended two narrow provisions of the 2016 New Source Performance Standards (NSPS) for the oil and natural gas industry to address aspects of the rule that pose significant and immediate compliance concerns.
- The amendments address two of the "fugitive emissions" requirements in the 2016 rule: a requirement that leaking components be repaired during unplanned or emergency shutdowns; and the monitoring survey requirements for well sites located on the Alaskan North Slope.
- EPA is finalizing specific amendments to these two requirements rather than staying them, based on public comments and information the agency received in response to its June 2017 proposed stays of certain requirements in the rule and subsequent Notices of Data Availability (NODAs), issued in November 2017. Those comments expressed significant immediate concerns with these two fugitive emissions requirements and suggested solutions. EPA is continuing to review comments the agency received on the proposed stays and the NODAs.
- Today's action addresses significant and immediate compliance concerns. EPA will issue a proposal addressing the reconsideration of the rule for public review and comment at a later date.

Fugitive Emissions (Leaks) Repair

- EPA has amended the NSPS to remove requirements that sources of fugitive emissions be repaired during unscheduled or emergency shutdowns. Owners and operators are still required to complete repairs during the next scheduled compressor station shutdown, well shutdown, well shut-in, after a planned vent blowdown, or within two years, whichever is earlier.
- The 2016 NSPS required owners/operators to monitor and repair fugitive emissions from equipment at well sites and at compressor stations (both gathering and boosting compressors stations, and natural gas transmission stations). Fugitive emissions often are referred to as "leaks."
- Under the 2016 rule, owners/operators were required to repair leaking components found during monitoring surveys within 30 days, unless doing so was technically infeasible; required a vent "blowdown," a compressor station shutdown, a well shutdown or shut-in; or if it would be unsafe to repair during operation of the unit. In these cases, owners/operators were required to fix the leak at the next such event – including unscheduled or emergency shutdowns -- or within two years, whichever is earlier. This is sometimes called the "delay of repair" requirements.
- Since issuing the 2016 rule, EPA received feedback that requiring these repairs during unscheduled or emergency shutdowns could result in natural gas supply disruptions, safety concerns and increased emissions. In the November 2017 NODAs, EPA sought public comment on that feedback, along with comment on whether the agency should stay or extend existing phase-in periods in the rule until the agency had addressed this issue.

- Commenters indicated that the requirement to repair leaks during an emergency or unscheduled shutdown could lead to unintended negative consequences both at well sites and compressor stations, including emissions that are higher than emissions that would occur if the leaks were repaired during a scheduled shutdown. This could occur from venting or flaring that would be necessary while certain equipment was depressurized or "blown down" in order for the repair to occur – actions that can lead to higher emissions than would occur from continuing to delay a repair. Similarly, commenters noted that the requirement to repair leaks during unscheduled or emergency shutdowns could lead to gas service disruption.

- After considering public comments and supporting data, the agency has finalized a specific amendment the fugitive emissions repair requirements rather than staying or extending the phase-in period for this requirement, which would have provided only temporary relief.

- EPA received other comments related to fugitive emissions requirements in response to the proposed stays and NODAs issued in 2017. The agency is continuing to evaluate those comments. In addition, EPA has convened a reconsideration proceeding for the 2016 Rule and will issue a separate proposal addressing the reconsideration of the rule for public review and comment at a later date.

Fugitive Emissions Monitoring Requirements on the Alaskan North Slope

- EPA also has amended the fugitive emissions (leaks) monitoring requirements in the NSPS to provide a separate monitoring schedule for well sites on the Alaskan North Slope to accommodate the area's arctic climate. The Alaskan North Slope extends from the Brooks mountain range to the Arctic Ocean.

- The amendments require that new or modified well sites that begin production between September and March conduct initial leaks monitoring surveys within six months after the startup of production or by June 30, whichever is later. New or modified well sites that being production between April and August must continue to meet the requirements of the 2016 rule, which requires initial monitoring surveys within 60 days of the startup of production.

- After the initial surveys, owners/operators now must conduct annual monitoring surveys at well sites on the Alaskan North Slope, rather than the semiannual monitoring required in the 2016 rule. These annual monitoring surveys must be conducted at least nine months apart but no more than 12 months apart.

- EPA made the amendments after considering concerns about implementation challenges raised in comments on the 2017 NODAs. Those comments noted that the monitoring technologies specified in the 2016 rule cannot reliably detect methane emissions for much of the year because of extremely cold temperatures. Temperatures in the North Slope region often are below zero.

- The agency received other comments related to facilities on the Alaskan North Slope. EPA is continuing to evaluate those comments.

Cost Savings and Forgone Emission Reductions

- Both amendments are expected to result in cost savings for the oil and gas industry, as well as reductions in climate benefits that would occur from reducing methane emissions. However, EPA was not able to estimate the cost savings and forgone benefits that would result from removing

requirements that sources of fugitive emissions be repaired during unscheduled or emergency shutdowns, because of the unplanned nature of these events.

- EPA estimates that the change in fugitive emissions monitoring schedule for well sites on the Alaskan North Slope will save industry approximately $24,000 per year in compliance costs, after accounting for natural gas that could have been recovered from finding and repairing leaks. The Agency estimates that approximately 34 tons of methane per year will not be reduced as a result of the amendment, or 772 tons of carbon dioxide equivalent.

Background

- On June 16, 2017, EPA proposed a two-year stay of the rule's fugitive emissions requirements, well site pneumatic pump standards, and requirements that closed vent systems be certified by a professional engineer while the agency reconsidered issues associated with these requirements. EPA also proposed a three-month stay of the requirements.

- After proposing the stays, the agency received a wide range of questions, concerns and suggestions from stakeholders both about the 2016 rule and the proposed stays. On November 1, 2017, the agency signed two NODAs related to the agency's proposed stays.

- The NODAs provided information on certain issues and suggestions related to the proposed stays of certain requirements in the 2016 rule, and sought comments from the public to assist in developing a final rule. The information provided in the NODAs fell into two categories: challenges to implementing these requirements in the 2016 rule that EPA proposed to stay; and the agency's legal authority to issue a stay.

- EPA is continuing to consider the 450,000 comments the agency received on the proposed stays, along with comments the agency received on the subsequent NODAs.

For more information

- To read the amendments to the 2016 rule, visit EPA's website at https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/actions-and-notices-about-oil-and-natural-gas#regactions